Application is hereby made by _____

_____
(Please attach a list of all Insureds, including Employee Benefit Plans)

Principal Address_____ City _____ State _____ Zip _____

Policy Effective Period _____ to _____

in the Aggregate Limit of Liability of $ _____ Date Insured was Established _____

Name of Prior Carrier _____

1. Description of Organization

1. Insured is a *(check the appropriate box)*:

    ☐ **Stock Broker**   ☐ **Mutual Fund**

    ☐ **Investment Banker**   ☐ **Dealer in Securities** *(Not Mortgage or Commercial Paper)*

    ☐ **Endowment Fund**   ☐ **Foundation**

    ☐ **Commodity Broker** *(if Stock Exchange member)*   ☐ **Investment Trust** *(not Small Business Investment Company or Real Estate Investment Trust)*

    ☐ **Other** _____

2. Insured is a *(check the appropriate box)*:

    ☐ **Sole Propriotorship**   ☐ **Partnership**   ☐ **Corporation**

3. List exchanges which you are a member of:

Name	Name

		Yes	No
4.	Are you a member of the National Association of Securities Dealers, Inc.?	☐	☐

5. For all Insureds, show the total number of: **No. of**
    a. Salaried officers & employees, retained attorneys and persons provided by employment contractors _____
    b. NASD Registered Representatives *(other than those counted in (a) above)* _____
    c. Locations *(other than the Home Office of the first Named Insured)* in the U.S., Canada, Puerto Rico and Virgin Islands _____
    d. Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, list below:

Location	Location

1. Description of Organization *continued*

	Total Assets
6. Complete the following:	
a. As of latest Dec. 31	$_____
b. As of latest June 30	$_____

2. Optional Coverages

	Yes	No	Single Loss Limit
1. Complete the following for optional coverages desired:			
a. Is Insuring Agreement (D) - Forgery or Alteration Coverage desired?	☐	☐	$_____
b. Is Insuring Agreement (E) - Securities Coverage desired?	☐	☐	$_____
c. Is Extortion - Threats to Persons Coverage desired?	☐	☐	$_____

If yes, list below locations to be excluded:

Location	Location

d. Is Extortion - Threats to Property Coverage desired? ☐ Yes ☐ No $_____

If yes, list below locations to be excluded:

Location	Location

e. Is Computer Systems Fraud Coverage desired? ☐ Yes ☐ No $_____

If yes, complete the following:
1. Insured's Computer System(s)
   For the Computer System(s) you operate, whether owned or leased, complete the following:
   a. Number of independent software contractors authorized to design, implement or service programs for your System(s) _____

   b. Is access to your System(s) by customers, or other outside parties permitted? ☐ ☐

2. Other Computer Systems
   List below other Computer System(s) for which coverage is desired:

Computer System(s)

2. Optional Coverages *continued*

	Yes	No	Single Loss Limit

f. Is coverage desired on businesses engaged in the data processing of your checks or other accounting records? ☐ ☐

If yes, list below the name and location of each data processor:

Name & Location	Name & Location

g. If you are a partnership, is coverage desired on your partners? ☐ ☐ $_____

If yes, list below the name of each partner:

Name	Name

2. Are you a direct participant in a depository for the central handling of securities? ☐ ☐

If yes, list below the name and location of each depository:

Name & Location	Name & Location

3. For deductibles, complete the following: *(NOTE: Deductibles on Insuring Agreements(D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Extortion Coverage may be written in any amount.)*

Coverage	Single Loss Deductible
a. All coverages except Insuring Agreements (D), (E) and Extortion	$_____
b. Insuring Agreement (D) - Forgery or Alteration	$_____
c. Insuring Agreement (E) - Securities	$_____
d. Extortion - Threats to Persons	$_____
e. Extortion - Threats to Property	$_____

4. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations: _____

_____

5. If coverage is being written on a coinsurance basis, show your percentage participation _____%.
(NOTE: Insured may assume a participation of between 5% and 25%.)

6. Are accounts insured by the Securities Investors Protection Corporation? ☐ ☐

3. Audit Procedures

		Yes	No
1.	Is there an ☐ annual ☐ semi-annual, audit by an independent CPA?	☐	☐
	a. **If yes,** is it a complete audit made in accordance with generally accepted auditing standards and so certified?	☐	☐
	b. If the answer to (a) is **no**, explain the scope of the CPA's examination_____ _____		
2.	Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation?	☐	☐
3.	Name and location of CPA _____		
4.	Date of completion of the last audit by CPA _____		
5.	Is there a continuous internal audit by an Internal Audit Department?	☐	☐
	a. **If yes,** are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation	☐	☐
6.	Are money and securities actually counted and verified?	☐	☐
7.	Are the ledger balances to the credit of customers verified?	☐	☐

4. Internal Controls

		Yes	No
1.	Do you require annual vacations of at least two consecutive weeks for all personnel? **If no,** explain _____ _____	☐	☐
2.	Are bank accounts reconciled by someone not authorized to deposit or withdraw? **If no,** explain _____ _____	☐	☐
3.	Is countersignature of checks required? **If no,** explain _____ _____	☐	☐
4.	Are monthly statements (whether or not there was activity in the account) mailed directly to all customers? **If no,** explain _____ _____	☐	☐
5.	Has there been any change in ownership or management within the past three years? **If yes,** explain _____ _____	☐	☐
6.	Has any insurance been declined or canceled during the past three years? **If yes,** explain _____ _____	☐	☐

5. Loss History

List all losses sustained during the past three years, whether reimbursed or not from _____ to _____
Check if none ☐   *(month/day/year)*   *(month/day/year)*

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location

NOTICE TO APPLICANTS:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

Applicant Signature _____ **Title** _____ **Date** _____

Producer Signature _____ **Title** _____ **Date** _____